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**Chile**

**Planting Seeds**

**Annual**

**2003**

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**Report Highlights:**

**Planted area, production, and exports are expected to increase in 2002/3, in response to low seed stocks.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Annual Report  
Santiago [CI1], CI

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## **General**

Chile has an excellent climate for the production of planting seeds, characterized by mild winters and warm dry summers. Moreover, since Chile's production is counter-seasonal with respect to the Northern Hemisphere, it has helped the country develop a successful commercial seed industry to supply those markets. Other important factors which have contributed to the expansion of Chilean seed production include the country's well-educated farmers, an ample supply of qualified low-cost labor, and a relatively disease and insect-free environment due to Chile's geographic isolation. Most large multinational seed companies are present in Chile, mainly contracting production from domestic producers. These multinational companies produce seeds for Chile's domestic market and for export markets and they market the product through their own channel of distribution.

## **Policy**

### **General Agricultural Policy**

Chile's open market economy, encourages investment by local and international seed companies. The Ministry of Agriculture enforces very strict phytosanitary regulations in order to maintain an environment relatively free of plant pests and diseases and to facilitate the multiplication of seeds. In general, the government views the seed industry as a one of the country's modern, competitive, export-oriented industries. The government does not subsidize the planting seed production industry. Planting seeds are the only agricultural crop approved for the use of transgenic technology, but only for export, the seed can not be sold domestically.

### **Planting Seed Production Policy**

Under a 1991 regulation, the Government of Chile permits imports of genetically modified (GM) seeds for multiplication by the seed industry. When seed companies request an import permit from the Ministry of Agriculture's Servicio Agrícola y Ganadero (SAG), Chile's animal and plant protection agency, they must provide information about the type of material, the genetic modification incorporated in the material, the quantity, the type of packaging, country of origin, port of entry, commercial use, name of farm, address, botanical characteristics, type of pollination, method of propagation, natural predators, parasites, and methods for protecting bio security. SAG evaluates the risk associated with release on a case-by-case basis and may or may not authorize the importation. In making its evaluation, SAG receives advice from the Advisory Committee for the Release of Transgenic, which is composed of a diverse group of scientific specialists. When an import permit is issued, SAG sets the conditions for handling and safeguarding the material in order to prevent its spread outside of the zones of control. In no case does SAG permit the introduction into Chile of a new transgenic product directly from the laboratory to the field. The material must have been previously released in a foreign country. The marketing of transgenic seeds in Chile is prohibited. All seed propagated from imported transgenic seeds must be re-exported. Lately there have been some minor changes to the 1991 regulation, which have to do with expediting the import process of seeds for multiplication. Additionally, SAG currently performing a risk analysis to evaluate a proposal from the Seed Producers Association (ANPROS) to allow the leftover material from genetically modified seed production to be used for animal feed. Presently these have to be buried and/or burned which adds additional costs to the production process.

## **Plant Health**

Chile follows the international phytosanitary regulations dictated by the International Plant Protection Convention (IPPC), the European Union and the International Seed Trade Association. To sell seeds to Chile, exporters must meet Chilean phytosanitary requirements. Some species are accepted with a phytosanitary certificate, others with a certificate combined with specific treatment with fungicides and fumigants.

## **Seed Certification**

There have been no changes since our last report to the seed certification process. Chile's system was accepted by the OECD certification scheme in 1972 and became effective in 1977. Later in 1980, the certification scheme was accepted to be equivalent to the EEC certification regime.

## **Plant Variety Protection**

Chile is a member of U.P.O.V., and there have been no changes since our last report. The law which protects varieties was published in November 1994, allowing Chile to join the U.P.O.V.'s convention of 1978. Variety protection operates through the Registry of Protected Varieties. Varieties created abroad may be registered and enjoy the same rights as Chilean varieties, provided they also have been registered in their country of origin. Acceptance of varieties in the Registry grants the owner the exclusive right for produce and trade the seed.

As part of Chile's commitments under a number of Free Trade Agreements, the GOC is revising Law 19.342 to comply with the U.P.O.V.'s 1991 convention enacted in 1998. Some of the provision included extending the protection periods from 18 to 25 years for trees and vines and from 15 to 20 years for other species. Additionally, the rights of the breeder are extended to the seeds, plants and products.

## **Variety Approval**

There are no changes since last our report on variety approval. The variety approval system was last modified by Law # 19.342, which was published in November of 1994.

## **Tariffs**

The general import duty for seeds is 6 percent, an 18 percent value-added tax also is charged on all consumer items, regardless origin.

## **Production**

Chile is a major producer of hybrid corn seeds, vegetable seeds and to a lesser extent forage seeds for export. Production is concentrated south of Santiago in Region VI. Although there are no official figures on Chile's total seed production, the Seed Producers' Association reports that total output of seeds fell again in 2001/02, official export

figures also reflect this decline for the same period. The largest decline was in vegetable seed production and exports, followed by corn seed. However, seed production and exports for 2002/03 era expected to increase, as industry stocks are low. Additionally, an outbreak of the Bacterial Fruit Blotch in the melon and watermelon seed production areas in China, are expected to prompt an increase in the planted area, production and exports of these seeds in Chile. Over 60 percent of total seed production is normally exported.

## **Trade**

Corn is the most important seed produced and exported by Chile, followed by flowers and melons. Vegetable seeds as a group are also important in total exports. Total seed exports fell from US\$145.4 million in 2000/01 to US\$122.9 million in 2001/02. Seed imports by Chile fell last year, from US\$24.9 million in 2000/01 to US\$19.1 million in 2001/02. Most seeds are imported for further multiplication and then re-exported. However, industry sources report that for 2000/1 and 2001/2 most seed companies were trying to reduce stock.

The United States and various European countries are Chile's main export markets. Close to 60 percent of total exports go to the United States, which is the primary market for corn seed.

The seed industry in Chile benefits from its southern hemisphere location which permits the harvesting and conditioning of seeds and their rapid export to the Northern Hemisphere in time for spring planting, thereby enhancing the quality of germination. Latin American and Asian markets have also developed in the last few years.

**TABLE - CHILE: Total Seed Imports and Exports**

(July 2001 through June 2002)

		Exports				Imports	
		2001/02				2001/02	
Field Crops				Field Crops			
	Corn	Vol.	Val.		Corn	Vol.	Val.
	U.S.	39,599,923	49,298		U.S.	772,857	4,123
	France	7,209,044	8,265		Argentina	197,687	72
	Netherlands	1,913,644	2,894		France	105,377	643
	Germany	1,411,419	2,007		Hungary	48,500	122
	U.K.	80,319	82		Germany	22,082	76
	N.Zealand	73,225	113		Netherlands	15,378	137
	Japan	64,272	111		Italy	1,657	9
	Mexico	10,835	11		Canada	1,579	5
	Canada	10,337	21		Brazil	238	3
	Argentina	3,885	27		Japan	170	6
	So. Africa	3,460	4		Austria	42	1
	Turkey	1,397	1		Spain	23	0
	Hungary	1,300	20		Mexico	15	0
	Italy	495	15		Israel	3	0
	Brit. Virg. Isl.	300	0		Other	146,704	1,647
	China	150	0		TOTAL	1,312,316	6,845
	Uruguay	100	1				
	TOTAL	50,384,105	62,870				
Sunflower				Sunflower			
	Argentina	1,747,778	2,399		Argentina	87,693	75
	U.S.	226,449	470		Netherlands	2,250	3
	France	70,178	222		France	2,148	7
	Spain	47,998	73		U.S.	853	3
	Japan	8,197	167		Spain	270	0
	Netherlands	494	90		Israel	11	3
	TOTAL	2,112,403	3,360		Germany	4	0

						TOTAL	93,229	91
		Sugarbeet				Sugarbeet		
		Germany	91,438	325		France	29,235	921
		Belgium	64,630	194		Germany	11,302	487
		TOTAL	156,068	518		Denmark	5,446	229
						Belgium	2,089	73
						U.S.	1,859	20
						Netherlands	904	21
						Australia	50	1
						TOTAL	50,968	1,752
		Beans				Beans		
		Netherlands	526,149	722		U.S.	349,497	468
		Italy	412,291	495		Netherlands	14,938	30
		U.S.	192,025	343		Italy	3,569	7
		France	122,734	214		France	3,554	23
		Spain	34,015	60		Germany	485	1
		Japan	30,596	91		Spain	14	0
		Germany	26,767	21		TOTAL	372,664	529
		Canada	250	0				
		TOTAL	1,347,227	1,953				
		Alfalfa				Alfalfa		
		Peru	100,850	425		U.S.	116,040	423
		Argentina	24,000	83		Australia	7,997	24
		Brazil	4,184	26		TOTAL	124,037	447
		TOTAL	129,034	534				
		Clover				Clover		
		Uruguay	189,300	345		N.Zealand	93,240	218
		Italy	80,325	77		Australia	53,181	108
		Argentina	63,425	112		Argentina	25,000	65
		Peru	19,950	42		Netherlands	3,600	8
		So. Africa	10,000	16		TOTAL	175,021	399
		TOTAL	363,000	593				

Fescue				Fescue			
	Peru	3,000	6		U.S.	118,899	193
	TOTAL	3,000	6		Denmark	21,333	21
					N.Zealand	3,750	7
					TOTAL	159,183	263
				Bluegrass, Kentucky			
					U.S.	30,406	67
					TOTAL	30,406	67
Ryegrass				Ryegrass			
	New Zealand	50,000	50		N.Zealand	984,164	1,087
	Peru	21,500	26		U.S.	33,647	117
	Denmark	28	2		Netherlands	21,038	27
	TOTAL	71,528	78		Denmark	17,200	18
					TOTAL	1,106,145	1,311
Other Forages				Other Forages			
	Japan	377,420	114		U.S.	104,237	240
	Canada	14,210	135		Australia	26,143	67
	Peru	12,380	25		N.Zealand	5,850	15
	TOTAL	404,010	275		Denmark	5,446	10
					Uruguay	4,000	7
					Netherlands	4,000	8
					France	2,915	11
					Argentina	10	1
					TOTAL	164,403	406
Flowers				Flowers			
	U.S.	38,614	5,269		France	2,710	65
	Japan	13,622	7,080		N.Zealand	1,715	119
	Netherlands	4,518	3,231		Spain	984	25
	Germany	3,155	1,677		U.S.	889	87
	U.K.	1,678	529		Netherlands	111	29
	France	299	66		Japan	42	33
	Denmark	58	195		Germany	5	1
	Italy	19	28		Guatemala	0	2



		TOTAL	61,992	18,132		TOTAL	6,459	363
		Vegetables				Vegetables		
		Tomato				Tomato		
		U.S.	42,189	3,141		U.S.	2,662	757
		Netherlands	5,141	1,489		Israel	1,769	897
		Germany	1,951	7		China	598	327
		Argentina	1,223	84		France	434	347
		Brazil	1,178	38		Bolivia	242	98
		Bolivia	1,121	55		Netherlands	113	429
		Colombia	919	53		Spain	101	52
		Italy	800	9		Italy	9	1
		Peru	768	25		Peru	3	1
		France	508	405		Germany	3	0
		Venezuela	286	12		Thailand	2	3
		Ecuador	202	16		Brazil	0	1
		Japan	136	37		India	0	1
		Uruguay	12	8		Other	1,445	126
		China	0	1		TOTAL	7,383	3,049
		TOTAL	56,571	5,453				
		Watermelons, Melons				Watermelons, Melons		
		U.S.	24,163	3,091		U.S.	2,147	204
		Netherlands	4,245	702		Ecuador	451	31
		Venezuela	3,822	113		Netherlands	333	125
		Japan	2,124	271		France	123	3
		Brazil	1,836	261		China	81	23
		France	1,209	338		Spain	57	2
		Bolivia	709	42		Israel	55	28
		Colombia	573	13		Taiwan	22	0
		Spain	468	14		Japan	8	2
		Argentina	310	43		Brazil	8	0
		Costa Rica	188	15		Germany	1	0
		Peru	15	2		Italy	0	0
		Ecuador	15	4		Other	8	1
		Uruguay	7	2		TOTAL	3,294	420
		TOTAL	39,684	4,909				

	Other Vegetables					Other Vegetable			
		U.S.	285,533	8,761			U.S.	152,986	1,254
		Japan	166,985	3,565			Argentina	70,211	861
		France	105,032	1,742			Netherlands	31,987	199
		Netherlands	92,847	5,971			Australia	15,200	8
		Italy	65,880	368			France	6,737	215
		Brazil	30,110	499			Spain	6,620	46
		So. Korea	27,069	458			Denmark	4,838	25
		Germany	26,554	204			N.Zealand	3,251	22
		Denmark	21,554	315			Peru	1,846	59
		Venezuela	10,943	861			Japan	1,818	166
		Argentina	7,162	120			Italy	994	169
		Colombia	4,473	314			U.K.	556	2
		Spain	3,169	609			Germany	290	3
		Ecuador	2,887	199			China	123	2
		Bolivia	2,598	53			Brazil	88	12
		Peru	1,634	64			So. Africa	48	5
		U.K.	620	1			So. Korea	43	2
		Zchech Rep.	506	12			Bolivia	30	15
		Paraguay	443	8			Thailand	29	0
		Uruguay	167	98			Israel	18	3
		TOTAL	857,032	24,247			Belgium	15	3
							Czech Rep.	1	0
Note:							Other	481	35
	Volume figures are in Kg.						TOTAL	298,237	3,105
	Value figures are in Thous. US Dollars								